FILE NO. _____

STATE OF MINNESOTA

IN SUPREME COURT

In Re Petition for Disciplinary Action
against MICHAEL LAURENCE CZARNIK,
a Minnesota Attorney,
Registration No. 257382.

PETITION FOR DISCIPLINARY ACTION

TO THE SUPREME COURT OF THE STATE OF MINNESOTA:

At the direction of a Lawyers Professional Responsibility Board Panel, the Director of the Office of Lawyers Professional Responsibility, hereinafter Director, files this petition.

The above-named attorney, hereinafter respondent, was admitted to practice law in Minnesota on October 27, 1995. Respondent is currently employed as a Homeless Advocate in St. Paul, Minnesota.

Respondent has committed the following unprofessional conduct warranting public discipline:

FIRST COUNT

1. From January 2001 to July of 2005, respondent was affiliated with Minnesota Housing Resources, Inc. (hereinafter "MHR") in various positions including employee, shareholder and legal services contractor and Chief Financial Officer. MHR is a Minnesota corporation which administers contracts for the rehabilitation of low-income housing units.

2. Respondent was employed by Dream Home Development (DHD) from February 2004 through January 2005.

3. Subsequent to leaving DHD, respondent and other former employees of DHD brought suit against DHD seeking payment of past due wages and reimbursement for expenses.

4. On March 10, 2005, respondent's deposition was taken under oath in the *Michael Czarnik et al. v. Dream Home Development et al.* matter. In that deposition, respondent testified as follows:

Q. From January of 2004 to January of 2005 did you have any sources of income other than Dream Home Development?

A. Define sources of income.

Q. Did you receive any monies from any other - - from anywhere?

A. Stocks, bonds?

Q. Sure, stocks, bonds?

A. Yes.

Q. So with the exception of publicly traded stocks and your bonds did you ever receive any sources of income from anything else?

A. No.

* * *

Q. Did you receive any distributions from Minnesota Housing Resources in '04?

A. No.

Q. Receive any income from them at all?

A. No.

Q. In '03 did you receive any?

A. I shouldn't say - - I'll go back. Before I did receive salary from Minnesota Housing Resources, before I moved to Dream Home, before I actually became an employee of Dream Home.

Q. Did Minnesota Housing Resources ever pay any of your expenses?

A. No.

Q. Did you ever receive any payments from them whatsoever?

A. No. In the context again after I became employed at Dream Home Development.

* * *

Q. As the CFO of Minnesota Housing Resources you reviewed their budget, reviewed their expenditures, correct?

A. Correct.

Q. Do you know if there were any monies for legal fees paid in the year 2004?

A. I don't remember. I don't believe there - - in 2004?

Q. Yes.

A. In 2004 there were expenses for legal.

Q. For who?

A. I think for Bethel & Associates.

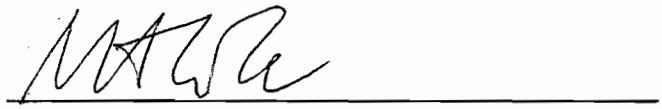
(Ex. 1, pp. 11, 57-58, and 63.)

5. Respondent's testimony was false. In 2004, MHR paid respondent legal fees in the amount of at least $10,500 and respondent reported receipt of $20,000 in wages from MHR on his 2004 federal income tax return.

6. Respondent's conduct in giving false testimony under oath violated Rule 8.4(c) and (d), Minnesota Rules of Professional Conduct.

WHEREFORE, the Director respectfully prays for an order of this Court imposing appropriate discipline, awarding costs and disbursements pursuant to the Rules on Lawyers Professional Responsibility, and for such other, further or different relief as may be just and proper.

Dated: August 28, 2007.



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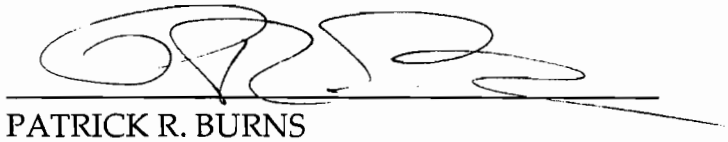

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